



Public Vouchers

(Service Set: Business & Financial Services)

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- **What to look for**

Cost, Time-&-Materials, or Labor Hour contract

Requirements identified in contract

- **E.g., Withholdings, Limitation of Costs/Funds, payment of fee, special payment instructions, etc.**

Contractor prior performance, status of business systems, ability to meet costs, company financial condition, billing status

- **Standard key processes**

Mgmt of Voucher Preparation & Submission

Mgmt of Costs

“Proper voucher preparation reduces cycle time and is essential for accuracy of payments. An assessment will be conducted to identify and analyze risk factors....”

Risk Assessment

(Sample Rating of a Key Process)

- **“PV Preparation & Submission” - P/C/S**
High Risk

History of frequent PV errors, poor documentation, underwithholding, & claiming unallowable costs

- ➡ High turnover of contractor personnel preparing PVs
- Use risk matrix (Likelihood & Consequence) - Potential for adverse cost, schedule, & performance impacts very likely*

- **Impact: Why This is a Key Process**

*Major impact If contractor can't properly document and bill costs. If costs can't be relied upon, **cost** risk is high. Our ability to know if contractor is heading toward overrun is also unknown, thus jeopardizing both **performance** & **schedule**.*

- **Risk Reassessment to - P/C/S Moderate Risk**

Risk Handling

• **Risk Handling Tool*: Review of Paid Vouchers**

Intensity

- Perform post-payment reviews of PVs for both costs and fee; review at least two sample PVs from each contract
- Meet with contractor & auditor to review problems detected and contractor's planned corrective actions

Frequency - Quarterly

Schedule - 1st week of Jan, Apr, Jul, Oct each year

• **Rationale for Risk Handling Tool**

Since PV preparation & submittal is a known high-risk key process, need to establish ways to mitigate the risk. By reviewing PVs frequently and in depth, errors can be detected and corrected before the impact is significant

Risk Monitoring

- **Monitoring assessed risk for impact on risk rating**

Monitor progress in contractor improvement (number and type of PV errors)

Monitor contractor progress in implementing planned corrective actions (e.g., training for new PV personnel)

- **Risk handling adjustments if risk handling methods aren't resulting in improvements**

Consider reviews of other supporting business systems (e.g., Accounting, MMAS, Purchasing, etc.)

Consider not releasing fee amounts withheld

- **Rationale for Risk Monitoring**

Documenting contractor performance in this key

Risk Documentation

- **Documentation is required for Risk Planning, Assessment, Handling, and Monitoring**
- **Reassessments and changes to any elements of risk management must also be documented; this includes progress made to date in risk handling and monitoring efforts**
- **Documentation is one method to communicate to your team, buying office, and supervisor your efforts on**